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DEPARTMENT OF COMMERCE

International Trade Administration

[A-441-801]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from Switzerland is being, or is likely to be, sold in the United States at less than fair value (LTFV). The final estimated weighted-average dumping margins of sales at LTFV are listed below in the section entitled “Final Determination.” The period of investigation (POI) is April 1, 2016, through March 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243.

SUPPLEMENTARY INFORMATION:

Background

On November 22, 2017, Commerce published the *Preliminary Determination* of sales at LTFV of cold-drawn mechanical tubing from Switzerland,¹ and on January 3, 2018, we

¹ See *Cold-Drawn Mechanical Tubing from Switzerland: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Postponement of Final Determination, and Extension of Provisional Measures*, 82 FR 55571 (November 22, 2017) (*Preliminary Determination*) and accompanying memorandum, “Decision Memorandum for

published an *Amended Preliminary Determination*.² The petitioners in this investigation are ArcelorMittal Tubular Products, Michigan Seamless Tube, LLC, Plymouth Tube Co. USA, PTC Alliance Corp., Webco Industries, Inc. and Zekelman Industries, Inc. (collectively, the petitioners). The mandatory respondents in this investigation are Benteler Rothrist AG (Benteler Rothrist) and Mubea Präzisionsstahlrohr AG (MPST) and Mubea Inc. (collectively, Mubea). A complete summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.³

The Issues and Decision Memorandum is a public document and is available electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, Room B-8024 of Commerce's main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and electronic version are identical in content.

the Preliminary Determination in the Less-Than-Fair-Value Investigation of Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland" (Preliminary Decision Memorandum). *See also Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland: Amended Preliminary Determination of Sales at Less Than Fair Value*, 82 FR 346 (January 3, 2018) (*Amended Preliminary Determination*); Memorandum, "Analysis Memorandum for the Amended Preliminary Determination of the Antidumping Duty Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel (Cold Drawn Mechanical Tubing) from Switzerland: Benteler Rothrist AG (Benteler Rothrist)," dated December 21, 2017 (Benteler Rothrist's Ministerial Error Memorandum); and, Memorandum, "Antidumping Duty Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland: Ministerial Error Allegations in the Preliminary Determination," dated December 21, 2017 (Mubea's Ministerial Error Memorandum).

² See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland: Amended Preliminary Determination of Sales at Less Than Fair Value*, 82 FR 346 (January 3, 2018) (*Amended Preliminary Determination*); Memorandum, "Antidumping Duty Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland: Ministerial Error Allegations in the Preliminary Determination," dated December 21, 2017 (Ministerial Error Memorandum).

³ See Memorandum, "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland of Switzerland," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

Scope of the Investigation

The product covered by this investigation is cold-drawn mechanical tubing from Switzerland. Commerce did not receive any scope comments subsequent to the *Preliminary Determination* and, therefore, the scope has not been updated since the *Preliminary Determination*. See Appendix I of this notice.

Period of Investigation

The POI is April 1, 2016, through March 31, 2017.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), Commerce verified the sales and cost data reported by Benteler Rothrist and Mubea for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.

Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce in the Issues and Decision Memorandum is attached at Appendix II.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for AKP and LG Chem since the *Preliminary Determination*. These changes are discussed in the “Margin Calculations” section of the Issues and Decision Memorandum.

All-Others Rate

In accordance with section 735(c)(1)(B)(i)(I) of the Act, Commerce calculated a dumping margin for the individually investigated exporters/producers of the subject merchandise. Consistent with sections 735(c)(1)(B)(i)(II) and 735(c)(5) of the Act, Commerce also calculated an estimated “all-others” rate for exporters and producers not individually investigated. Section 735(c)(5)(A) of the Act provides that the “all-others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for individually investigated exporters and producers, excluding any margins that are zero or *de minimis* or any margins determined entirely under section 776 of the Act. We calculated the all-others rate using a weighted average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration, pursuant to section 735(c)(5)(A) of the Act, as referenced in the “Final Determination” section below.⁴

Final Determination Margins

The weighted-average dumping margins are as follows:

Exporter/Producer	Weighted-Average Margins (percent)
Benteler Rothrist AG (Benteler Rothrist)	12.50
Mubea Präzisionsstahlrohr AG (MPST)	30.48
All-Others	13.55

⁴ See memorandum to the file, “Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from Switzerland from the Republic of Switzerland: Calculation of All - Others’ Rate in the Final Determination,” dated concurrently with this notice.

Disclosure

We will disclose the calculations performed within five days of any public announcement of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue the suspension of liquidation of all appropriate entries of cold-drawn mechanical tubing from Switzerland, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after November 22, 2017, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*. Further, Commerce will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above.

In accordance with section 733(e)(2) of the Act, for this final determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of cold-drawn mechanical tubing from Switzerland, as described in the Appendix I to this notice, produced or exported by LDC and “all other” exporters and producers not individually examined, which were entered, or withdrawn from warehouse, for consumption on or after November 22, 2017, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Furthermore, pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) The cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will

be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of cold-drawn mechanical tubing from Switzerland no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

Notification to Interested Parties

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: April 9, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I Scope of the Investigation

The scope of this investigation covers cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) of circular cross-section, 304.8 mm or more in length, in actual outside diameters less than 331mm, and regardless of wall thickness, surface finish, end finish or industry specification. The subject cold-drawn mechanical tubing is a tubular product with a circular cross-sectional shape that has been cold-drawn or otherwise cold-finished after the initial tube formation in a manner that involves a change in the diameter or wall thickness of the tubing, or both. The subject cold-drawn mechanical tubing may be produced from either welded (*e.g.*, electric resistance welded, continuous welded, etc.) or seamless (*e.g.*, pierced, pilgered or extruded, etc.) carbon or alloy steel tubular products. It may also be heat treated after cold working. Such heat treatments may include, but are not limited to, annealing, normalizing, quenching and tempering, stress relieving or finish annealing. Typical cold-drawing methods for subject merchandise include, but are not limited to, drawing over mandrel, rod drawing, plug drawing, sink drawing and similar processes that involve reducing the outside diameter of the tubing with a die or similar device, whether or not controlling the inside diameter of the tubing with an internal support device such as a mandrel, rod, plug or similar device. Other cold-finishing operations that may be used to produce subject merchandise include cold-rolling and cold-sizing the tubing.

Subject cold-drawn mechanical tubing is typically certified to meet industry specifications for cold-drawn tubing including but not limited to:

(1) American Society for Testing and Materials (ASTM) or American Society of Mechanical Engineers (ASME) specifications ASTM A-512, ASTM A-513 Type 3 (ASME SA513 Type 3), ASTM A-513 Type 4 (ASME SA513 Type 4), ASTM A-513 Type 5 (ASME SA513 Type 5), ASTM A-513 Type 6 (ASME SA513 Type 6), ASTM A-519 (cold-finished);

(2) SAE International (Society of Automotive Engineers) specifications SAE J524, SAE J525, SAE J2833, SAE J2614, SAE J2467, SAE J2435, SAE J2613;

(3) Aerospace Material Specification (AMS) AMS T-6736 (AMS 6736), AMS 6371, AMS 5050, AMS 5075, AMS 5062, AMS 6360, AMS 6361, AMS 6362, AMS 6371, AMS 6372, AMS 6374, AMS 6381, AMS 6415;

(4) United States Military Standards (MIL) MIL-T-5066 and MIL-T-6736;

(5) foreign standards equivalent to one of the previously listed ASTM, ASME, SAE, AMS or MIL specifications including but not limited to:

(a) German Institute for Standardization (DIN) specifications DIN 2391-2, DIN 2393-2, DIN 2394-2);

(b) European Standards (EN) EN 10305-1, EN 10305-2, EN 10305-4, EN 10305-6 and European national variations on those standards (*e.g.*, British Standard (BS EN), Irish Standard (IS EN) and German Standard (DIN EN) variations, etc.);

(c) Japanese Industrial Standard (JIS) JIS G 3441 and JIS G 3445; and

(6) proprietary standards that are based on one of the above-listed standards.

The subject cold-drawn mechanical tubing may also be dual or multiple certified to more than one standard. Pipe that is multiple certified as cold-drawn mechanical tubing and to other specifications not covered by this scope, is also covered by the scope of this investigation when it meets the physical description set forth above.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

For purposes of this scope, the place of cold-drawing determines the country of origin of the subject merchandise. Subject merchandise that is subject to minor working in a third country that occurs after drawing in one of the subject countries including, but not limited to, heat treatment, cutting to length, straightening, nondestruction testing, deburring or chamfering, remains within the scope of the investigation.

All products that meet the written physical description are within the scope of this investigation unless specifically excluded or covered by the scope of an existing order. Merchandise that meets the physical description of cold-drawn mechanical tubing above is within the scope of the investigations even if it is also dual or multiple certified to an otherwise excluded specification listed below. The following products are outside of, and/or specifically excluded from, the scope of this investigation:

(1) cold-drawn stainless steel tubing, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;

(2) products certified to one or more of the ASTM, ASME or American Petroleum Institute (API) specifications listed below:

- ASTM A-53;
- ASTM A-106;
- ASTM A-179 (ASME SA 179);
- ASTM A-192 (ASME SA 192);
- ASTM A-209 (ASME SA 209);
- ASTM A-210 (ASME SA 210);
- ASTM A-213 (ASME SA 213);
- ASTM A-334 (ASME SA 334);
- ASTM A-423 (ASME SA 423);
- ASTM A-498;
- ASTM A-496 (ASME SA 496);
- ASTM A-199;
- ASTM A-500;
- ASTM A-556;
- ASTM A-565;
- API 5L; and
- API 5CT

except that any cold-drawn tubing product certified to one of the above excluded specifications will not be excluded from the scope if it is also dual- or multiple-certified to any other specification that otherwise would fall within the scope of this investigation.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.31.3000, 7304.31.6050, 7304.51.1000, 7304.51.5005, 7304.51.5060, 7306.30.5015, 7306.30.5020, 7306.50.5030. Subject merchandise may also enter under numbers 7306.30.1000 and 7306.50.1000. The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II
List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Changes Since the Preliminary Determination
- V. Discussion of the Issues

- Comment 1: The Inclusion of Sample Sales in Benteler Rothrist's Margin Calculation
- Comment 2: Identification of Missing Information for Certain of Benteler Rothrist's U.S. and Comparison Market Sales
- Comment 3: Use of the Average-to-Average Methodology for Benteler Rothrist's Margin Calculation
- Comment 4: Margin Offsets for Section 232 Duties
- Comment 5: Mubea's Reported Date of Sale in the Third-Country
- Comment 6: Application of AFA to Mubea for the Cohen's *d* Test Due to Inaccurate Reporting of Customer Locations
- Comment 7: Commerce Should Calculate the Margin Based on Transfer Prices from MPST in Switzerland to Mubea, Inc. in the United States
- Comment 8: Mubea's Startup Adjustment for the U.S. Further Manufacturing Operations
- Comment 9: Calculation of Mubea, Inc.'s General and Administrative Expense for Further Manufacturing in the United States
- Comment 10: Unreconciled Difference in Reconciliation Between Financial Records and the Reported Cost Database for Mubea
- Comment 11: Revisions and Minor Corrections to Mubea's Response

- VI. Recommendation

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